

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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June 3, 2003

FROM: MARCEL TURNER, Director
Human Resources

**SUBJECT: AMEND DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLAN
DOCUMENTS**

RECOMMENDATION: Approve amended plan documents for the 401(k) Salary Savings Plan; the 401(a) Defined Contribution Plan; and the 457(b), PST (part-time, seasonal, and temporary), and 457(f) Deferred Compensation Plans (as on file with the Clerk of the Board).

BACKGROUND INFORMATION: The County has maintained a 401(k) Salary Savings Plan for its exempt employees and elected officials since 1984. The 401(a) Defined Contribution Plan was developed for the County's elected officials in 2000. The County has also maintained a deferred compensation plan since 1978 for all of its regular employees and a PST Deferred Compensation Plan since 1991 for its part-time, seasonal and temporary employees. Both of these plans were established pursuant to Section 457(b) of the Internal Revenue Code. An additional plan was established under Section 457(f) for exempt employees and elected officials in 1993. Each plan permits eligible employees to contribute a certain portion of their income on a tax-deferred basis.

On October 1, 2002 the Board approved changes to the 401(k) and 457(b) plan documents to achieve conformity with pension regulatory changes that occurred as a result of the Economic Growth and Tax Relief Act of 2001. No changes were required for the 401(a), 457(f) and PST plans at that time.

On May 15, 2003, the County entered into a new administrative agreement with ING Financial Services to provide enhanced support services and enriched benefits for the County's Defined Contribution and Deferred Compensation plans listed above. The plan documents currently on file with the Clerk of the Board have been revised to provide consistency in format and administration amongst the five plans and to reflect the enhanced services and benefits obtained as a result of the new agreement with ING.

The plan documents have also been revised to implement a new combined Defined Contribution Committee that will serve as the advisory board for all five plans. The new committee shall have nine members, consisting of the following positions: the County Administrative Officer, the Director of Human Resources, the Executive Director of the San Bernardino County Employees Retirement Association, the Treasurer/Tax Collector, three members appointed by the County Administrative Officer, one member appointed by the San Bernardino Public Employees Association, and one Member appointed by the Safety Employees Benefit Association. The appointed members shall serve at the pleasure of the County Administrative Officer. The elected County Auditor/Controller-Recorder shall serve as an ex-officio member of the Defined Contribution Committee. The Defined Contribution Committee shall advise the Plan Administrator and the Board of Supervisors on all matters of policy affecting the plans.

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The plan documents incorporate the changes outlined above and represent a complete restatement of each plan's provisions in their entirety. The documents were prepared with the assistance of ING Financial Services and County Counsel and have been written to conform to all pertinent legal requirements and to each plan's administrative practices.

REVIEW BY OTHERS: This item has been reviewed by County Counsel (W. Andrew Hartzell, Deputy County Counsel) on May 16, 2003 and the County Administrative Office (Daniel R. Kopp, Administrative Analyst) on May 22, 2003.

FINANCIAL IMPACT: There is no cost associated with the amendment of these plan documents.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item, concurs with the department's proposal, and recommends this action based on the need to restate the plans' provisions to conform to all pertinent legal requirements and each plan's administrative practices.

SUPERVISORIAL DISTRICTS: All

PRESENTER: Robin Ohama, Chief, Employee Benefits and Services Division, 387-5563

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